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UNDP: activities for 2011

Report of the Ethics Office

Summary

This report of the UNDP Ethics Office covers 2011. Pursuant to the Secretary-General's bulletin on *United Nations system-wide application of ethics: separately administered organs and programmes* (ST/SGB/2007/11), the United Nations Ethics Committee reviewed the report at its thirty-fifth session, and it is hereby submitted to the Administrator. Pursuant to its decision 2008/37, the report is also submitted to the Executive Board. For the first time, the report includes recommendations to management on strengthening the organizational culture of integrity and compliance, as called for in the Executive Board decision 2011/24.

In 2011, the Ethics Office reviewed its work since inception, as forecasted in its action plan. It responded to or initiated 740 contacts with UNDP personnel.

Elements of a decision

The Executive Board may wish to take note of this report and comment on the progress made by the Ethics Office.

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Contents

Chapter		*Page*
I.	Introduction	3
II.	Administrative activities	4
III.	Mandated activities	4
	A. Standard-setting and policy support	6
	B. Training, education and outreach	7
	C. Advice and guidance	9
	D. Financial disclosure policy	12
	E. Protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations	15
IV.	United Nations Ethics Committee	17
V.	Recommendations to management to strengthen an organizational culture of integrity and compliance	17
VI.	Conclusion	18

Figures

1: Breakdown of number of requests from 2008 to 2011 ---- 5

2: Category of requests received in 2011 ---- 5

3: Comparison of cumulative numbers of training encounters from 2008 to 2011 ---- 9

4: Geographic location of staff members and other personnel who have received face-to-face ethics training or briefings from 2008 to 2011 ---- 9

5: Comparison of requests for ethics advice from 2008 to 2011 ---- 10

6: Breakdown of requests for ethics advice in 2011 by category ---- 11

7: Breakdown of requests by gender from 2008 to 2011 ---- 11

8: Breakdown of staff members seeking advice by location in 2011 ---- 11

9 : Conflict of interest cases in the 2009 and 2010 financial disclosure exercises ---- 14

10: Conflict of interest cases in the 2006, 2007 and 2008 financiial disclosure ---- 14

11: Overview of requests for protection against retaliation in 2011 ---- 16

12: Comparison of requests for protection from 2008 to 2011 ---- 17

I. Introduction

1. As envisioned in its action plan for 2009-2011, the Ethics Office reviewed its work in 2011, including a peer review, in line with its overall mandate "to cultivate and nurture a culture of ethics, integrity and accountability". The Office received 740 requests for services, compared to 483 requests in 2010, and to 186 in its first year of operation: 2008. With the support of other UNDP offices, the Ethics Office undertook the activities highlighted below.

(a) *Standard-setting and policy support.* Within the framework of the United Nations Ethics Committee, the Ethics Office continued to work on harmonizing applicable policies of UNDP, including through a broadcast on prohibitions against political activities. Within UNDP, the Ethics Office, along with the Office of Human Resources of the Bureau of Management, made a broadcast to clarify permissible outside activities. To respond to the Executive Board decision 2010/17, the Ethics Office vetted two recommended candidates of key oversight offices for potential conflicts of interest. It undertook work to update policies on financial disclosure and protection against retaliation with the Legal Support Office of the Bureau of Management. It contributed inputs to the vendor review procedures for the Procurement Support Office of the Bureau of Management.

(b) *Training and outreach activities*. During 2011, more than 800 UNDP personnel (including staff, individual consultants and United Nations volunteers) completed the mandatory online course, bringing the cumulative total to around 11,000. In 2011, more than 1,300 personnel participated in ethics workshops and more than 250 in briefings, bringing the cumulative total of face-to-face training encounters to nearly 3,800. (These sessions included individual contractors of UNDP and the staff members and personnel of other United Nations organizations. In some instances, the same persons were involved in the different modalities of training.) The multilingual peer ethics trainer network grew to 22 members.

(c) *Confidential advice*. The trend of increasing requests for advice continued. There were 342 requests, with confidential advice making up the largest category of requests. As in 2009 and 2010, advice regarding outside activities continued to be the biggest category.

(d) *Financial disclosure.* For the 2010 annual filing exercise, 1,413 staff members filed. This was 100 per cent compliance. However, meeting the filing deadlines continues to be problematic. Additionally, during the second and third quarters of 2011 the Ethics Office and the Office of Information Systems and Technology of the Bureau of Management introduced filing for staff members entering filing categories. The Ethics Office also piloted verification of 2010 filed statements (through stratefied random selection of filers) by requiring third-party documents to support the accuracy of the statements. The Office completed a review of all previously submitted statements, sent out completion messages to those 2009 and 2010 filers for whom no conflicts of interest had been detected, and increased its proactive and remediation advice.

(e) *Protection against retaliation.* The Ethics Office reviewed nine complaints of retaliation and concluded three long-standingrequests for advice to staff members fearing retaliation.

2. The Ethics Office will support the corporate priorities of the UNDP Agenda for Organizational Change by providing advice aimed at mitigating reputational and other risks related to employee misconduct or non-compliant administrative practices.

II. Administrative activities

3. In 2011, a team of one D-1, one P-5, one G-6, one Junior Professional Officer and three part-time consultants implemented the workplan of the Ethics Office, with an allocation of $210,000 for general operating expenses. To enhance professional and institutional capacities, the Office's staff continued to participate in in-house and external learning programmes. To preserve institutional memory, the Office completed an operations manual. The Office moved its premises for the third time and upgraded physical and digital-information security in its new premises.

4. The amendment to the Audit Advisory Committee's terms of reference included reviewing and advising "on the fraud and corruption prevention policy, [and] ethics function including the code of ethics and whistle-blower policy".

5. The Ethics Office also participated in a peer review to monitor its performance to date. The reviewers employed a methodology that relied on information provided by UNDP and used a few international financial institutes as comparator organizations. The peer review found that "[t]he UNDP Ethics Office has without a doubt established the major, essential elements of an ethics programme [which] combine rules-and values-based approaches by helping the organization address compliance with rules, standards and laws; managing and reducing risks to the institution and to individual staff members; and enhancing the organization's reputation."[1]

6. In its decision 2011/24 the Executive Board asked the Ethics Office to make recommendations to UNDP management to "strengthen the organizational culture of integrity and compliance". In response, this current report includes a section on recommendations to management.

7. In responding to the Executive Board request, the Ethics Office took into consideration the UNDP corporate priorities embodied in the Agenda on Organizational Change. Specifically, the Office considered the Agenda's objectives of reducing the administrative burden, focusing on results and increasing administrative flexibility. While focusing on improving performance, care should be taken that new opportunities to circumvent due processes are not introduced. The Office should usefully contribute by better clarifying standards of conduct for UNDP personnel, delineating the non-negotiable standards and safeguarding an organizational culture with the highest standards of efficiency, competence and integrity, as called for by the Charter of the United Nations. Measures to prevent opportunistic fraud or to remove temptations by identifying situations with potential conflicts of interest complement efforts to boost performance and should not be confused with administrative burdens. The Office took these factors into account in extending its action plan to 2012 and preparing its 2012 workplan.

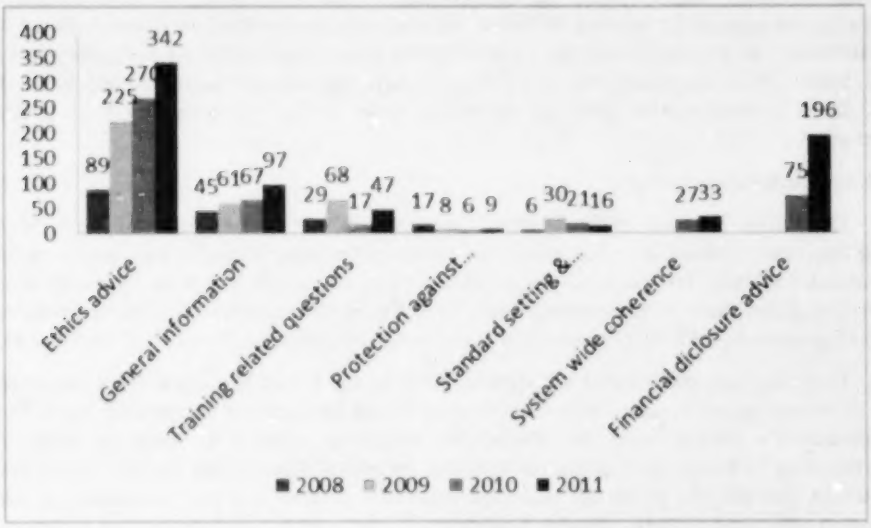
III. Mandated activities

8. Since its establishment, the number of requests received by the Ethics Office has grown nearly four times (from 186 in 2008 to 740 in 2011).[2] Figure 1 compares the breakdown of requests from 2008 to 2011.

[1] Report of the external peer review panel of the UNDP Ethics Office (peer review report), 18 January 2012, p. 10.

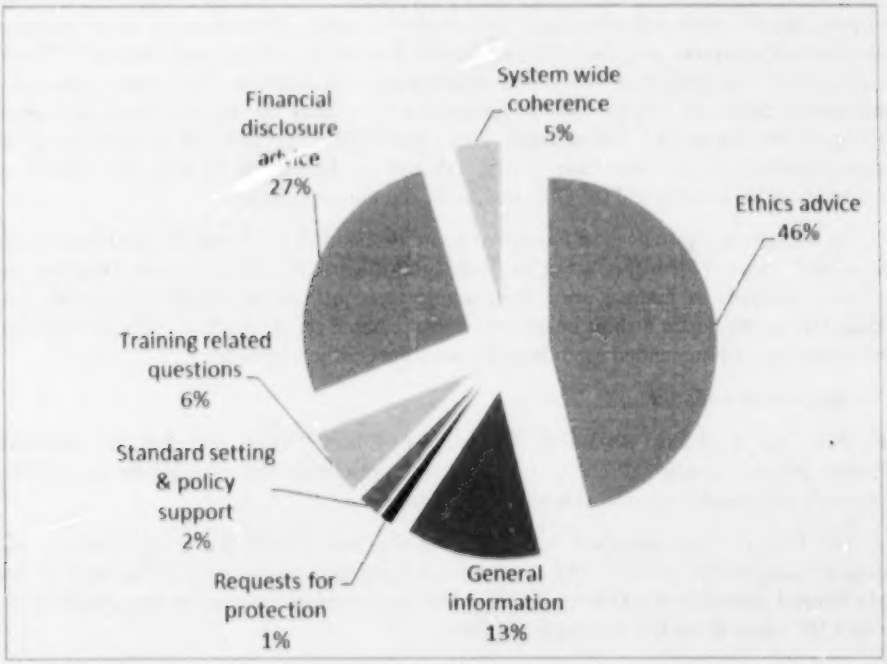
[2] The term "requests" covers mainly requests for services from individuals and business units, and also includes approaches by the Ethics Office itself to individuals and business units under the training-related, standard-setting and FDP advice categories.

Figure 1: Breakdown of number of requests from 2008 to 2011



9. Figure 2 presents the proportions of the 740 requests received in 2011, classified by the various categories of activities carried out by the Office.

Figure 2: Categories of requests received in 2011


Financial disclosure advice 27%
System wide coherence 5%
Ethics advice 46%
Training related questions 6%
Standard setting & policy support 2%
Requests for protection 1%
General information 13%

A. Standard-setting and policy support

10. As in previous years, the Ethics Office worked on harmonizing standards of conduct within the United Nations system and across UNDP. At the system level, the Office continued with the activities of the network of United Nations agencies (renamed the Ethics Network of Multilateral Organizations) and the United Nations Ethics Committee. At the agency level, the Ethics Office consulted with key offices in applying relevant personnel and financial standards. Communication activities continued to be critical in reaching out to UNDP personnel.

United Nations system-wide

11. The Ethics Network of Multilateral Organizations met in July and discussed ethics helplines and hotlines, a compendium of practices for international ethics practitioners, financial disclosure programmes, characteristics of an ethics office and the ethics advisory function. Subsequent to this meeting, the UNDP Ethics Office chaired a working group on working methods, with the objective of making recommendations to the chair of the Network.

12. The Office also participated in a workshop, run by the United Nations Ethics Committee, on protection against retaliation. In order to ensure consistency across the agencies, the Office continued to consult with the Committee regarding commonly occurring requests. Participation in forums such as this one provides the ethics offices means for developing best practices and to gain guidance, exchange materials, conduct internal benchmarking and develop career and strategic planning strategies.

13. Introduced last year, the system-wide coherence category refers to requests for information, policy interpretation or ethics advice for common situations dealt with by the ethics offices in the United Nations system. The number of requests has increased in 2011.

Within UNDP

14. Within UNDP the Ethics Office broadcast a United Nations Ethics Committee message on political activities and a message on outside activities. Preparation of these messages involved consultations with the Office of Human Resources and its Legal Support Office as well as with the Office of Audit and Investigation. In addition, the Office contributed substantive inputs on vendor review procedures developed by the Procurement Support Office of the Bureau of Management. The Ethics Office participated in monitoring the implementation of the anti-fraud policy, adopted in March 2011, with the Bureau of Management Directorate and the Office of Audit and Investigations.

15. To implement a provision of Executive Board decision 2010/17, the Ethics Office carried out consultations to identify a list of key oversight officers. The objective was to review any potential conflicts of interest prior to assuming these officers assuming their duties. The Ethics Office developed a short interview schedule, based on practices in other jurisdictions, and vetted two recommended candidates for potential conflicts of interest.

Communication activities

16. With the Learning Resources Centre, the Ethics Office launched an animated presentation on "helpful offices in UNDP". This presentation is designed to help UNDP personnel with workplace-related problems and questions.

17. The Ethics Office launched its website on the new UNDP Sharepoint platform and content management system: https://intranet.undp.org/unit/office/ethics/. The website has been viewed more than 8,000 times in 2011. This is an increase from 5,700 times in 2010 and from 3,500 times in the last six months of 2009.

B. Training, education and outreach

18. As in previous years, the Ethics Office monitored compliance with the mandatory online course and held regular and customized ethics workshops and briefings at Headquarters and at country offices. With the support of senior managers in the respective locations, the Office enhanced its onsite outreach to staff members and other personnel serving in post-conflict or hardship duty stations such as Haiti, Liberia, Sierra Leone and the Democratic Republic of the Congo. Via teleconferences and Skype calls, outreach was also provided to personnel working in Afghanistan. This outreach enabled colleagues in these locations to access ethics resources and facilitated discussions on ethics issues of concern to them.

19. The mandatory online ethics course continues to inform personnel about relevant United Nations staff regulations and rules and the standards of conduct expected of international civil servants. It introduces the ethical decision-making model in face-to-face workshops. Based on the data collected by the Learning Resources Centre, the Ethics Office continued to monitor compliance with this rules-based online ethics module. For the reporting period, approximately 800 staff members and other personnel completed the online course. From 2008 to 2011, more than 10,900 personnel (including staff, individual consultants and United Nations volunteers) completed this training. In accordance with the UNDP practice of gender marking, the Ethics Office has been trying to aggregate its statistics by gender. More or less equal proportions of women and men have completed the online ethics training, with 1 per cent more being women.

20. New staff members are required to complete the online training within three months of entering on duty. More than 800 new staff members were recruited in 2011, of whom approximately 14 per cent completed the training within the first year, based on the records of Learning Resource Centre. Of those who completed the training, 59 per cent did so within the first three months of entry and 34 per cent within the first seven months. The remaining recruits who did not complete the training within the first year were widely distributed across grades and business units. The face-to-face training provides an opportunity for all personnel to deepen their understanding of the organization's values and standards, their duties and obligations, and offers a forum for group discussion on ethics-related concerns. This engagement is crucial to the work of the Office in strengthening a culture of integrity and compliance. The Office responds to specific requests from business units or, where feasible and economical, initiates contact with units.

21. In 2011, the Ethics Office reviewed and updated its "Professional Ethics and Integrity in our Daily Work" workshop. In this workshop staff members and other personnel are encouraged to speak out against conduct that undermines the interests of the organization, and they are provided with information on the UNDP protection-against-retaliation policy. Managers are reminded of their duty to promote a work environment in which staff members are empowered to exercise ethical judgment, free of retaliation. Sessions of the workshop are regularly offered in English, French and Spanish. (In Haiti, the country office arranged for a special session in Creole.)

22. For the reporting period, 53 sessions of the workshop were delivered by Ethics Office staff members, professional facilitators or peer ethics trainers, to approximately 1,400 staff members and other personnel. Although the workshop is directed at staff members, the Ethics Office considers it important to provide training and outreach to all personnel, regardless of contractual status. The training is tailored to include the standards of conduct for contractors who are not governed by staff regulations and rules. This approach allows the Office to support the organization in risk management, at a minimal additional cost.

23. As in previous years, the face-to-face training has been made possible by the goodwill and cooperation of senior managers in the host offices. In most cases senior managers agreed

to share costs, thus enabling training in more than one location during a single mission. This cooperation maximized the use of scarce resources. In some offices, senior managers made the training mandatory and personally participated fully in the training. Such visible engagement by senior managers is necessary to reinforce the shared organizational values, which guide staff members' attitudes and behaviours.

24. To extend the geographic range and build up francophone peer-training capacity, the Office conducted its fourth training-of-trainers exercise with the collaboration of the Democratic Republic of Congo country office and added three francophone trainers to the peer ethics trainers' network. Launched in 2008 with the Learning Resources Centre, the group now comprises 22 members who support ethics learning. The Ethics Office and the Learning Resources Centre have continued to maintain feedback and communication among the network members through quarterly teleconferences. The Ethics Office and the Learning Resources Centre support knowledge-sharing on ethics-related issues, making use of selected internal experts. The network continues to be an important source of feedback for the Ethics Office on ethics-related staff information and training needs.

25. In their feedback, participants in face-to-face ethics workshops continue to reflect a demand for regular and refresher ethics education and for more visible senior management engagement in ethics training.

26. During briefings, the Ethics Office shares information on its role and addresses ethics issues arising for particular functional groups or business units. Staff members from the Office provided seven such briefings in person and remotely via the Internet to more than 250 participants. Some of these briefings dealt with specific subjects such as permissible involvement in political activities. Figure 3 shows the cumulative number of encounters with staff members and personnel through ethics trainings and briefings from 2008 to 2011. Figure 4 presents the 54 geographic locations, in addition to Headquarters, where trainings or briefings were provided from 2008 to 2011.

27. At Headquarters the Ethics Office began personal briefings of senior managers who were newly recruited to UNDP or newly appointed to a subsequent position. The Learning Resources Centre and the Office of Human Resources more generally have helped the Ethics Office identify and contact managers who fit these criteria. These briefings are modeled on the induction briefings introduced by the Ethics Office of the United Nations Secretariat. Sessions include information on the role and work of the Ethics Office as it relates to senior managers, the duties and obligations of international civil servants, the financial disclosure programme and managing conflicts of interests, as well as information on the protection against retaliation policy and the role of managers in creating an ethical work environment. The Office values this opportunity to connect with individual senior managers as it continues working to build an ethical culture in UNDP, from the top down.

Figure 3: Comparison of cumulative numbers of training encounters from 2008 to 2011

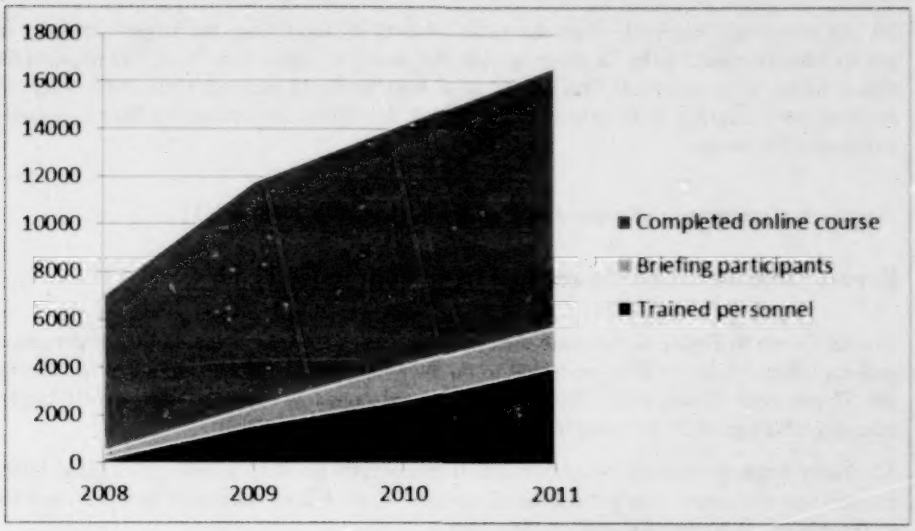


Figure 4: Geographic location of staff members and other personnel who received face-to-face ethics training or briefings from 2008 to 2011

Latin America and the Caribbean	Arab States	Africa	Asia and the Pacific	Europe and the Commonwealth of Independent States
• Argentina • Barbados • Brazil • Chile • Costa Rica • Cuba • Dominican Republic • El Salvador • Guatemala • Guyana • Haiti • Jamaica • Panama • Nicaragua • Uruguay	• Bahrain • Egypt • Iraq • Jordan • Kuwait • Lebanon • Sudan • Tunisia • Yemen	• Burkina Faso • Cote d'Ivoire • Democratic Republic of Congo • Ghana • Guinea-Bissau • Liberia • Mali • Mozambique • South Africa • Sierra Leone • United Republic of Tanzania • Uganda • Zambia	• Afghanistan • Bangladesh • India • Indonesia • Mongolia • Philippines • Republic of Korea • Thailand	• Belgium • Denmark • Germany (UNV) • Kosovo • The former Yugoslav Republic of Macedonia • Serbia • Slovakia • Ukraine • Switzerland

C. Advice and guidance

28. The advisory function of the Ethics Office is a cornerstone of its preventive work, helping all personnel think through issues and options when facing difficult decisions or unsure about United Nations standards of conduct. In providing advice the Ethics Office is guided by the core principles of independence and confidentiality. The Office maintains strict confidentiality and cannot be compelled to disclose information that has come to its attention.

29. The Office gives advice when staff members and other personnel approach the Office. Following the review of financial disclosure statements the Office also offers proactive advice, including on how to remediate conflicts of interest. For the reporting period the Office received 342 requests for ethics advice and seven requests for financial-disclosure-related advice. It provided 189 instances either of advice to remediate situations that came to light in

the review of financial disclosure statements or of proactive advice potentially of interest to staff members filing such statements.

30. As previously reported, since the establishment of the Office the largest category of requests has continued to be for ethics advice. As shown in Figure 5, in 2011, 342 requests for ethics advice were received. This marks an almost four-fold increase since 2008 when 89 requests were received. It is estimated that it took the Office on average 4.3 days to respond to requests for advice.

Figure 5: Comparison of requests for ethics advice from 2008 to 2011

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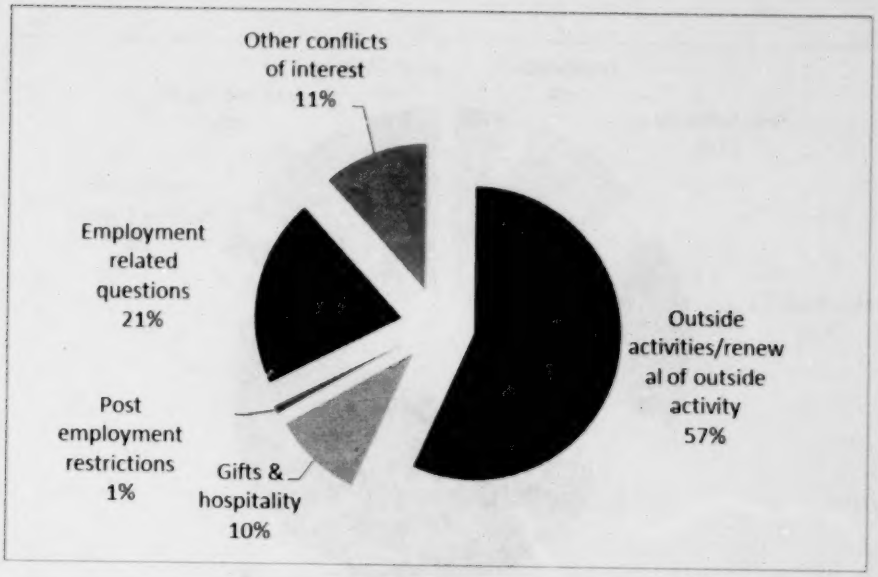
31. As shown in Figure 6, the main area of concern for staff members and other personnel seeking ethics advice in 2011 pertained to outside activities, with those requests accounting for 57 per cent of the total. "Employment-related concerns" remains the second largest category, although at 21 per cent, it is eight per cent lower than in 2010.

32. Many requests relating to outside activities concern teaching at universities and board membership on various non-governmental entities. Many offices refer staff members, and the staff members also come forward on their own.

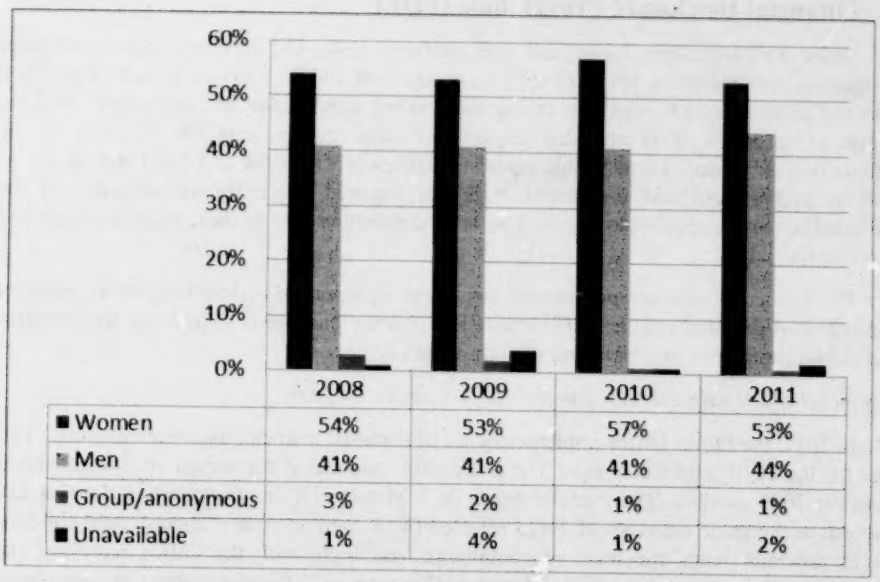
33. The Office continued to take a targeted approach in training, based on trends in requests for advice, and raising managers' awareness of their responsibility to promote staff members' compliance with UNDP rules and policies.

Figure 6: Breakdown of requests for ethics advice in 2011 by category


Other conflicts of interest 11%
Employment related questions 21%
Post employment restrictions 1%
Gifts & hospitality 10%
Outside activities/renewal of outside activity 57%

34. Figure 7 shows the gender breakdown of persons who have sought ethics advice since July 2008, when the Office started to track such information.

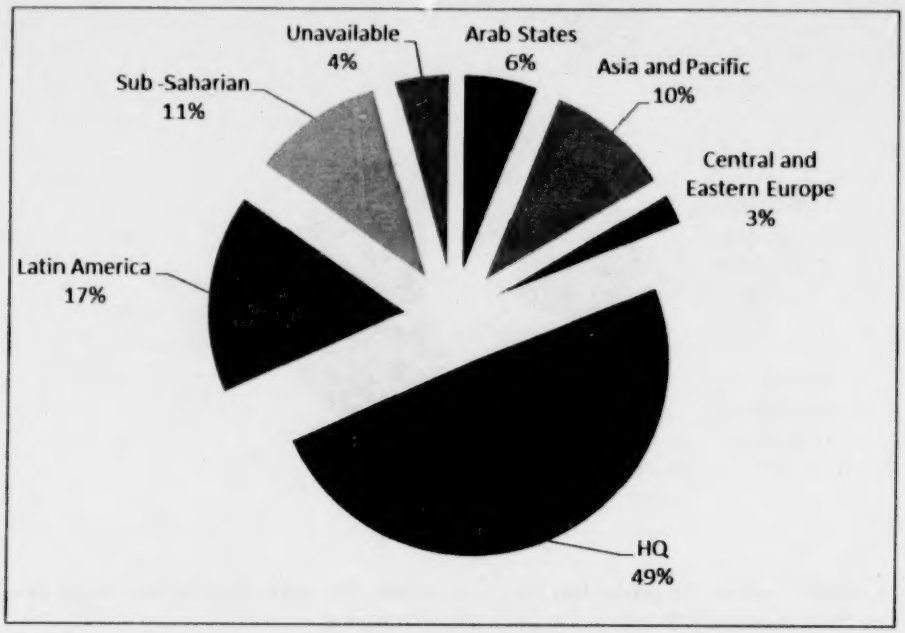
Figure 7: Breakdown of requests by gender from 2008 to 2011



	2008	2009	2010	2011
Women	54%	53%	57%	53%
Men	41%	41%	41%	44%
Group/anonymous	3%	2%	1%	1%
Unavailable	1%	4%	1%	2%

35. As shown in Figure 8, the majority of requests continue to come from staff members and other personnel at Headquarters, which accounts for 49 per cent of the total requests for services. Staff members in human resources or procurement functions continue to contact the Office about ethics-related issues arising in their offices in the course of their work.

Figure 8: Breakdown of staff members seeking advice by location in 2011



D. Financial Disclosure Programme (FDP)

36. Under staff regulation 1.2 (n), all staff members at the D-1 level and above and other designated staff members are required on appointment and at intervals thereafter to file a financial disclosure statement concerning themselves, their spouse and dependent children. When so requested filers are also required to assist in verifying the accuracy of the information submitted. Through this exercise, staff members at the D-1 level and above, as well as procurement and investment staff, are required to certify the accuracy of the information they have provided on their assets and liabilities and on those of their spouse and dependent children.

37. The financial disclosure programme assists the organization in detecting actual, apparent and potential personal conflicts of interest. The primary purpose is to promote transparency and public confidence in UNDP and its staff members.

Financial disclosure exercise for the 2010 transaction year

38. In 2011, the Ethics Office implemented its fifth annual financial disclosure exercise. This was for the 2010 transaction year. The Office also completed the review of the statements from the 2009 exercise. The exercise began on 1 March with the disclosure of the financial interests and outside activities of 1,413 selected filers, their spouses and dependent children. As in previous years, the level of compliance was high, with the Office receiving and reviewing 100 per cent of required statements. However, as in the past, many statements were filed past the due date, and information needed for review submitted late. The Office continued to spend a lot of time reminding filers of the due date and chasing down needed information. The Office reviewed the statements and, when necessary, provided advice to mitigate or avoid conflicts of interest.

39. The Office better targeted the categories of staff members required to file in order to ensure that all those staff members who meet the criteria for filing were selected to file, and

that the Office's resources were used in an efficient manner. This streamlining involved working closely with the heads of offices and focal points at the beginning of the filing period in order to finalize the list of filers.

40. As in previous years, the number of requests for assistance during the filing exercise continued to decline. This decrease may be due to continuous improvements in the online system provided by the Office of Information Systems and Technology of the Bureau of Management, or to the experience gained to date by the FDP focal points in the business units, or to the filers being more familiar with the filing requirements.

Induction filing

41. The Office, in collaboration with the Office of Human Resources, introduced induction filing. Staff members who were newly appointed to positions which met the filing criteria were required to submit a financial disclosure statement, following their appointment, rather than wait for the annual filing exercise. Induction filing allowed the Ethics Office to review the financial and outside interests of newly appointed or recruited staff members in order to detect and address conflicts of interest when these staff assumed their new assignments, rather than waiting for the outcome of the annual filing exercise.

42. In addition to the 1,413 annual filers, a total of 84 staff members were identified as needing to file an induction statement. In order to accommodate the induction-filing process, the online report system was re-opened during June and September. The level of compliance was high, with the Office receiving and reviewing 100 per cent of the required statements. However, as for the annual exercise, at times compliance was not timely and required much follow-up by the Office.

Review of data and provision of advice

43. In conducting the review, the Office examined the individual statements to ensure that the information was complete and consistent. Where information was incomplete or unclear, the filer was contacted to provide additional information or clarification. Subsequently the private interests disclosed was compared to a list of UNDP vendors and investment funds and also to the relevant prohibitions or restrictions in the Staff Rules and Regulations. The purpose was to identify conflicts of interest and offer remedies or proactive advice to address detected conflicts.

44. Following the review, the Office sent a clearance message to 97 per cent of the 2010 annual and induction filers indicating that no conflict of interest was detected. For the reporting period, the Office identified 31 cases of conflict of interest, seven of them continuing from the 2009 exercise. In 159 cases the Office provided advice to safeguard against conflicts of interest arising in the future. As Figure 9 shows, of the 31 cases identified, 19 pertained to family relationships, 9 to outside activities and 3 to financial interests. The Office continues to work with the Office of Human Resources and individual staff members to ensure compliance with the organization's rules and policies, through recusals and disengagement from outside activities, among other measures.

Figure 9: Conflict of interest cases in the 2009 and 2010 financial disclosure exercises

	Number of cases
Financial interest	3
Outside activities	9
Family relationships	19
Total	31[3]

45. Along with concluding the review process for 2010, outstanding reviews for previous filing periods were also completed. As Figure 10 shows, of the 17 cases identified in previous filings, 11 pertained to family relationships, four to outside activities and two to financial interests. Remedial actions have been taken in 11 of the cases. The other six cases are being monitored. The Office looks forward to commencing the filing exercise for the 2011 reporting period with no backlog.

Figure 10: Conflict of interest cases in the 2006, 2007 and 2008 financial disclosure exercises

	Number of cases	*Recusal*	*Monitoring*
Financial interest	2	3	
Outside activities	4	4	
Family relationships	11	4	6
Total	**17**	**11**	**6**

Verification

46. The Ethics Office piloted an exercise, based on stratified, random sampling of filers, to verify that the statements were true as submitted, and that the filers were clear and complete in making their disclosures. A small sample of financial disclosure statements, representing filers across different functional groups, grade levels, regions and business units, were randomly selected for verification. Selected staff members were required to provide third-party documentation such as bank account statements, income tax returns and documents relating to ownership of real estate in order to support information provided in their disclosure statements.

47. Of the filers selected, 80 per cent were able to completely and fully support every item on their financial disclosure statement. Eight per cent of the filers were unable to support all of the items on their financial disclosure statements. This was for various reasons, including inability to access the information from their present duty station. Of the remaining filers, 8 per cent had separated from UNDP, and one filer was still undergoing the verification process as of the end of 2011.

48. The Ethics Office of the United Nations Secretariat, as part of the Financial Disclosure Programme, administers the Secretary-General's public disclosure initiative for senior officials at the Assistant Secretary-General level and above. Although public disclosure is done on a voluntary basis, it is an important initiative of the Secretary-General, as it demonstrates that senior officials are committed to transparency. The Ethics Office encourages and promotes this initiative.

[3] This number includes the six being monitored from 2006, 2007 and 2008, as reported in Figure 10.

E. Protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations

49. In accordance with ST/SGB/2007/11, the Ethics Office is responsible for implementing the UNDP policy for protection against retaliation. This policy enables the organization to function in a transparent and accountable manner and has the objective of enhancing good corporate governance.

50. UNDP protects staff members who are threatened with or have suffered retaliation for having reported misconduct or cooperated with a duly authorized audit or investigation. The policy aims at encouraging staff members to fulfill their duty to report misconduct and to cooperate with duly authorized audits and investigations. It assures that they not suffer from retaliation, when this duty is fulfilled. It also ensures that the organization can effectively address situations that give rise to allegations of retaliation and manage risks.

51. Complaints of retaliation are to be made directly to the Ethics Office. Once the Office receives a complaint it conducts a preliminary assessment to determine whether the three conditions prescribed by the policy have been met. These are: (i) whether the complainant reported misconduct or cooperated with a duly authorized audit or investigation [the protected activity]; (ii) whether some detrimental action has been threatened or taken in relation to the complainant; and (iii) whether there is a causal connection between the report or cooperation and the detrimental action.

52. In circumstances where the conditions have not been met, the Office will find that the alleged retaliation has not been established. The Office advises the complainant, based on the circumstances of the case, and may refer him or her to the Office of the Ombudsman or other mechanisms within the internal justice system. If the Office finds that the three conditions have been met, it will determine that a prima facie case of retaliation has been established and refers the matter for investigation by the Office of Audit and Investigations (OAI). If the circumstances warrant, the Office will provide interim protection for the complainant during the investigation.

53. The policy provides for a shift in the burden of proof at the investigation stage, and requires the administration to show that the same decision would have been taken in the absence of the staff member's involvement in a protected activity.

54. Once the Ethics Office receives the investigation report it makes a determination as to whether the alleged retaliation has been established. In cases where retaliation is established, the Ethics Office makes recommendations to the Administrator for remedial measures regarding the staff member who complained of retaliation. The case is also referred to the Director of the Legal Support Office for consideration of whether disciplinary proceedings should be initiated against any staff member who appears to have retaliated.

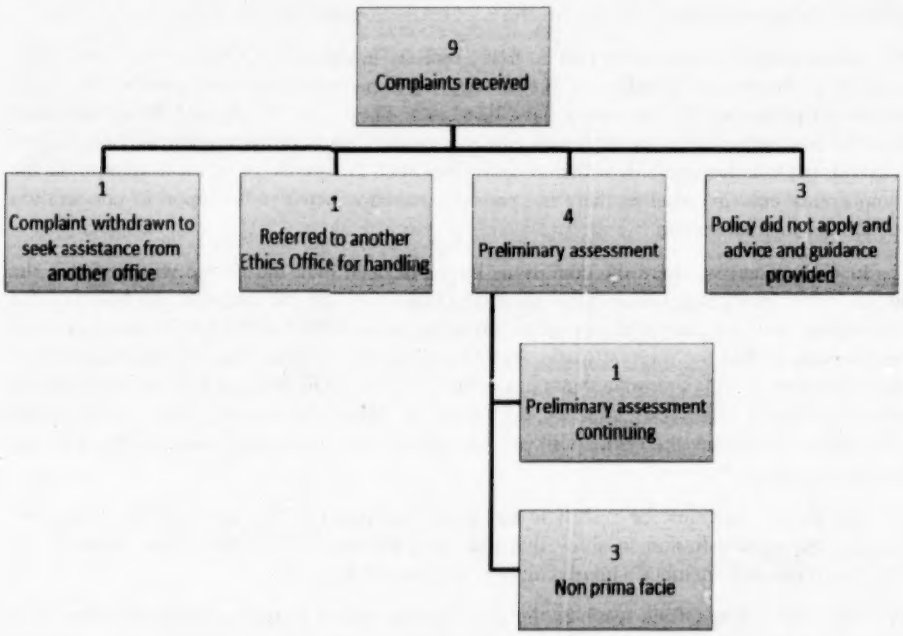
55. Where the alleged retaliation has not been proved, the Director of the Ethics Office may make recommendations to the Administrator regarding any managerial or other administrative issues arising from the case, if any.

56. As illustrated in Figure 11, nine complaints alleging retaliation were received by the Ethics Office during the reporting period. In one case the complainant withdrew the complaint, indicating an intention to approach another office to seek assistance. Of the remaining cases, three were deemed not to warrant a preliminary assessment, and the Office gave advice to the complainants on the scope and application of the protection policy. In one case, due to an apparent conflict of interest, the Ethics Office referred the complaint to another Ethics Office.

57. A preliminary assessment was conducted in three cases. In addition, at the end of 2011, another case was still under review. A prima facie case was not established in any of the three cases, and in none of these cases was interim protection warranted.

58. The Office continued to watching over the three cases brought forward from 2010, cases in which staff members sought advice due to a fear of retaliation. Two of these cases have been resolved without a formal complaint of retaliation being filed. The Office has continued to monitor the third case and will do so until the staff member is able to utilize a satisfactory mechanism to address the concern.

Figure 11: Overview of requests for protection against retaliation in 2011

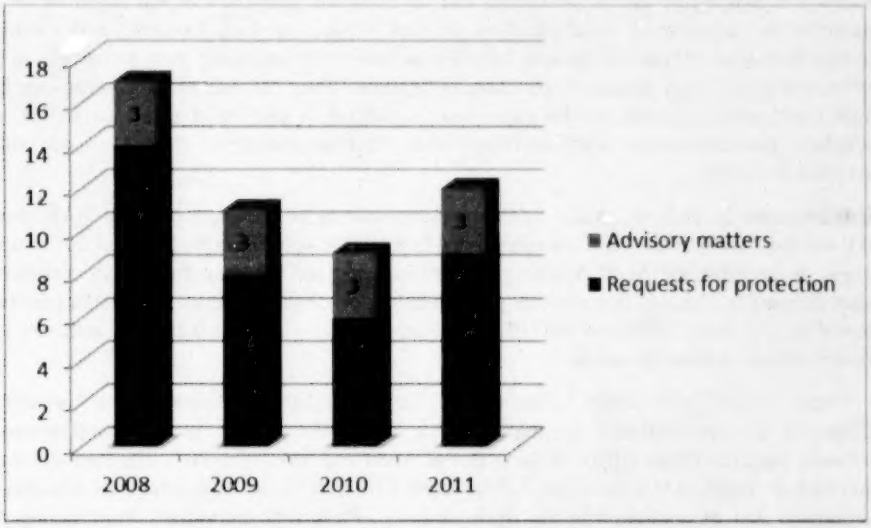


59. An effective protection against retaliation policy is an important element in promoting accountability and transparency in the operations of UNDP. Through its training, outreach and awareness-raising activities, the Ethics Office continues to remind staff members of their duty to blow the whistle on conduct that undermines integrity, transparency and good governance and places the image and reputation of the organization at risk. Staff members are also reminded that they have a right to be protected from retaliation when they act to safeguard the interests of the organization by reporting misconduct or cooperating with duly authorized audits and investigations. The Ethics Office provides detailed information to staff members at all levels on the provisions of the policy and a case-study illustration of how the policy works. Particular attention is placed on making managers aware of their duty to promote a workplace free of retaliation and their duty to support positive organizational culture and behaviours.

60. As shown in Figure 12, since 2009 the number of requests for protection appears to have settled at fewer than 10 per year.

61. In 2010, more women made complaints of retaliation than men. However, in 2011, of the nine complaints lodged, the overwhelming majority came from men.

Figure 12: Comparison of requests for protection from 2008 to 2011



IV. United Nations Ethics Committee

62. The Ethics Office participated in all of the United Nations Ethics Committee meetings and hosted its share of them, as in previous years. It also participated in the third meeting of the Ethics Network of Multilateral Organizations (previously known as the United Nations Ethics Network). For more information on the work of the United Nations Ethics Committee, please refer to the report of the Secretary-General on the activities of the Ethics Office (A/66/319), which was presented at the sixty-sixth session of the General Assembly.

V. Recommendations to management to strengthen an organizational culture of integrity and compliance

63. As mentioned above, Executive Board decision 2011/24 calls on the Ethics Office to make recommendations to management on strengthening an organizational culture of integrity and compliance.

64. The overall recommendation is to include ethical decision-making as an important tool for staff members in implementing the Agenda for Organizational Change. Management must find a realistic balance between easing the administrative burden and retaining sufficient internal control and oversight for improving organizational performance, without overexposing the organization to risks of unsound administrative practices or staff member misconduct. It can be argued that the most important factor in "lifting performance from good to great" is the people factor. A call to observe the highest standards of integrity is a key motivating factor for staff members and other personnel, while compliance with rules is a major component of institutional reputational risk management. The senior managers need to set the right tone at the top, by "walking the talk".

65. In terms of actions, managers can play an important role in ensuring the more timely induction of new recruits and staff members rotating into new assignments by monitoring their compliance with the mandatory online ethics training and other mandatory training requirements. Managers can sponsor face-to-face ethics training and briefing sessions in their offices, sessions at which staff members can discuss maintaining high ethical standards, ensuring transparency and being accountable for exercising greater discretion in applying policies and making decisions. Managers can be front-line guardians of the organization's reputation by encouraging staff members to seek advice on their financial and outside interests and those of their immediate families, as well as by requiring them to comply in a timely manner with any financial disclosure obligations. They can encourage a workplace in which constructive dissent can be expressed, retaliation is prevented and trust builds, a workplace that encourages staff members and other personnel to come forward with workplace problems.

66. Independently, both the Audit Advisory Committee at its twentieth meeting in October 2011 and the Peer Review Panel recommended that UNDP streamline its financial disclosure process. In addition, the Audit Advisory Committee endorsed the view that if staff members do not follow the Ethics Office's advice in remediating conflicts of interest, the matter may be referred by the Ethics Office to the Office of Human Resources, which has the authority to take appropriate follow-up action.

67. These entities also both independently recommended that management consider transferring the responsibility for implementing the UNDP policy on protection against retaliation from the Ethics Office to the Office of Audit and Investigations.[4] The Peer Review Panel further specified that the Ethics Office retain a role: to "focus on institutional initiatives to eliminate fear of retaliation in the workplace. . . . Protecting individuals from managers who retaliate in various ways against staff members for raising issues and concerns is a major management issue; such protection in general is part of risk management and goes to a central concern expressed on our visit to the UNDP, regarding management accountability."[5]

68. The Peer Review Panel observed, "Ethics issues are not the sole responsibility of the Ethics Office or the Office of Human Resources; they are management issues and as such supervisors and managers need to learn how to help staff members deal with everyday ethics-related matters. Senior managers also need to understand their role in creating an organizational culture that promotes a positive work environment where issues and concerns can be raised without fear of retaliation."[6] The peer reviewers recommended that the Office of Human Resources work with the Ethics Office to add ethical decision-making and dealing with ethical dilemmas modules into current supervisory and management training. The reviewers also recommended that yearly supervisory performance evaluations include one question on how the manager has promoted ethics and an ethical culture in his or her unit.

VI. Conclusion

69. This annual report focused on the 2011 theme for the Ethics Office: review, as previewed in its action plan for 2009-2011. It highlighted some of the observations and findings of the peer review in which the Office participated to monitor its performance.

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[4] Audit Advisory Committee, minutes of twentieth meeting, agenda #3: Ethics Office Matters, para. 10; peer review report, p. 15. Currently, the Ethics Office receives complaints of retaliation and determines whether the complainant should be protected while OAI conducts the investigation and the Legal Support Office determines whether misconduct has occurred.

[5] Peer review report, p. 15.

[6] Peer review report, p. 16.

70. However, a small, lone office cannot effect change on its own. Any progress made must be attributed also to work done by management, staff and other independent and internal control offices. Mainly, all personnel at UNDP must be guided by the vision and mandate of UNDP: to help people build a better life through empowered lives and resilient nations. It is in order to achieve this goal that UNDP is aiming at being a world-class, knowledge-based organization and lifting its performance from good to great. Because people can best bring about people-centred development, it is all the more important to strive for the highest standards of efficiency, competence and integrity.